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26 October 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Letter from Chairman, Senate Permanent Subcommittee
on Investigations, Government Operations Committee,
to the Director, Dated 16 October 1970

1. Today I met with Mr. Philip W. Morgan, Minority Counsel to the Permanent Investigations Subcommittee, to discuss Chairman McClellan's letter to the Director regarding the proposed travel of Senator Edward J. Gurney (R., Fla.) and members of the Subcommittee staff (copy attached).

2. I advised Mr. Morgan that the substantive areas of inquiry set forth in the Chairman's letter were subjects which were not of primary concern to the Agency and said I doubted that we could be much, if any, help to Senator Gurney and the Subcommittee staff in their travel overseas investigating these areas. Mr. Morgan said they were very interested in the activities of [REDACTED]

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[REDACTED] He asked if we might have any information about them. I explained to Morgan that the Agency had no responsibility for the activities of American citizens abroad and added that any information which we might acquire about Americans while in the course of our normal business would be passed on to the appropriate agencies. I asked Morgan if they had been in touch with the FBI on these cases. He said they had but added that the Bureau has not been too cooperative with the Subcommittee in recent years. Morgan then indicated in confidence that the Subcommittee is hoping that they will be able to subpoena [REDACTED], but are not certain that they will be successful. They have some reason to believe, however, that if they were successful in serving process on them that both [REDACTED] would claim that they had been performing services for CIA which would make it impossible for them to disclose the full nature of their operations abroad. I told Morgan that we could certainly look into this question for them.

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3. With regard to their trip, I suggested that we alert our field stations to the fact of their travel and instruct our people to work through the local embassy channels if we found we had any information which might be pertinent to the Subcommittee's inquirers. This seemed acceptable to Morgan.



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Att.

Deputy Legislative Counsel

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	COMMENT		FILE		RETURN		
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Remarks:							
<p>Please review and recommend appropriate action.</p> <p>Note the reference to an inquiry into student violence abroad.</p> <p>Info cys to: DDP, C/FE, C/CI, OGC and C/EUR</p>							
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October 16, 1970

My dear Mr. Helms:

In connection with inquiries under way by the Permanent Subcommittee on Investigations, Senator Edward J. Gurney, a Member of the Subcommittee, will soon be traveling overseas. He will be accompanied by his Administrative Assistant, Mr. Charles Mangers; Mr. Phillip W. Morgan, Subcommittee Minority Counsel; Mr. LaVern J. Duffy, Assistant Counsel to the Subcommittee; and Mr. Carmine S. Bellino, Investigator for the Subcommittee.

Senator Gurney and his associates will inquire into:

- (a) Allegations of continued corruption in the operation of post exchanges and military service clubs, and cooperation with black marketeers by persons associated with such military establishments.
- (b) Allegations of the continued existence of a profitable dollar traffic in the illicit money market in Vietnam, and other Southeast Asian countries, involving American firms and citizens, resulting in a substantial flight of capital which is adversely affecting the Vietnamese economy and is increasing the cost of the U. S. effort in Vietnam. They also will seek to determine the probable effect of the recent devaluation of the Vietnamese piaster upon the Vietnamese economy as well as its impact upon future economic assistance by the United States.

- (c) Continued studies of corruption, bribery and black marketing in connection with the supplying of Foreign Aid goods to Vietnam and other Southeast Asian countries, as well as the diversion and theft of such materials.

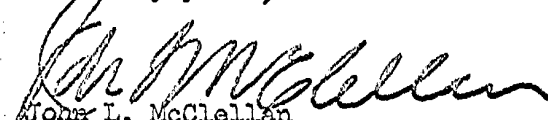
I have also recently authorized a preliminary inquiry by the Subcommittee relating to the outbreaks of violence in several foreign countries, with particular emphasis on the role of students and other persons who may be involved in such occurrences. I believe that a study of violence abroad might be an important adjunct to the hearings the Subcommittee has conducted concerning riots, disorders in the cities and on the campuses of this country. I anticipate that Senator Gurney and his associates will receive valuable information about this subject while they are abroad.

Senator Gurney and his party will visit Guam, Japan, Korea, Hong Kong, Taiwan, South Vietnam, Thailand, Singapore, the Philippine Islands, and possibly other Far Eastern nations, as well as Italy, West Germany, and other countries in Europe. They will leave Washington on or about November 4, 1970.

It is requested that you extend the cooperation of your Agency to Senator Gurney, Mr. Mangers and the Subcommittee's staff members in their efforts to obtain the appropriate information concerning the aforementioned allegations. The Subcommittee is particularly interested in having the assistance of your Agency in relation to inquiries (a) and (b). I assume that Senator Gurney and his associates will be touch with your Agency representatives during their trip.

The assistance of your Agency's officials in the Far East and in other areas to be visited will be greatly appreciated by the Subcommittee. I hope that they and their staff members will be advised of Senator Gurney's pending visit and will be urged to extend their cooperation. With kind personal regards, I am

Sincerely yours,


John L. McClellan
Chairman

The Honorable Richard Helms
Director of Central Intelligence
Central Intelligence Agency
Washington, D. C.